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December 23, 2009

Jennifer J Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, NW
Washington DC 20511

Re: Docket no. R-1366 –Proposed Changes to Closed-End Mortgages

To Whom It May Concern:

Thank you for allowing me to offer my opinion on the proposal to amend Regulation Z on closed-end mortgages. I live and work in California in the mortgage industry, and have done so for the past 30 years. I fully support consumer protection—I honestly believe that some changes should be made.

Everyone needs to make a living, but of course not at the expense of the consumer. It is our job as loan originators to educate our clients so they have a clear understanding of the type of loan they are applying for. It is also our job to offer each and every person all of the time necessary to help them to obtain the loan they need. When I work on these more difficult loans I typically could spend 3, 4 or 5 times the amount of time I spend on some of the more straight forward conventional type loan applications. The only way to be compensated is to charge a little more in fees, or charge someone a higher interest rate. I always offer my client the opportunity to choose where they prefer the higher rate and lower fees or higher fees and lower rate.

No one in the world can afford to work for free, and if this proposal passes then I know exactly what will happen. Unfortunately the consumer that needs more help will most likely get passed over for the easier ones. This is not going to fix anything. This will only hurt the consumer and the economy.

I am all for some restrictions on loan originator compensation to those riskier products that may have attributed to the subprime meltdown. The “prime” loans such as traditional Conventional, FHA and VA type financing should be excluded as they do not create the same potential for abuse.

Loan Originators are now following the SAFE Act requirements. This in itself has most likely eliminated many of the abusers along with many of the failed Mortgage Brokers and Bankers. I don't feel we need to start stockpiling more and more regulations without allowing the SAFE Act a chance to work.

We loan originators are only asking to be compensated for all of our hard work. Thank you for allowing me the opportunity to comment on this proposal.

Sincerely,


Lori A Garcia
Branch Manager